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SUBJECT: MACEDONIA: MINISTER OF ECONOMY RESIGNS, IMPACT

MINIMAL

REF: A. 2007 SKOPJE 797

[1B.](#) 2007 SKOPJE 886

#### SUMMARY

[¶1.](#) (SBU) Economy Minister Rafajlovska tendered her resignation on January 14, citing personal reasons for her decision to leave government service after a little more than a year in office. The Minister of Economy is one of two Ministerial positions (along with the Minister of Defense) held by junior governing partner NSDP. Though she reported resigning for personal reasons, Rafajlovska's recent clashes with GoM leadership and the marginalization of the MoE on key economic issues likely prompted her departure. Her replacement will be named from within the NSDP, but will be unable to wrest control of key economic issues from Deputy Prime Minister Zoran Stavreski, a close confidante of PM Gruevski. End Summary.

[¶2.](#) (SBU) After a little more than a year in office, Minister of Economy Vera Rafajlovska resigned on January 14. A member of junior coalition partner NSDP, Rafajlovska had headed a tax and audit consulting firm prior to her government service, and is likely to return to her private practice.

[¶3.](#) (SBU) Serious tensions between Rafajlovska and the GoM leadership became evident during a power plant tender last year (reflets), when she refused to finalize the plant's privatization under a shadow of a questionable tender process and an appeal by the U.S./Greek joint venture that had lost the bid. Rafajlovska also reportedly was frustrated by the continuing marginalization of the MoE on electricity sector reform issues. In both cases, Deputy PM Stavreski, a key advisor and close confidante of PM Gruevski, was clearly calling the shots. Though she survived a no-confidence vote in Parliament only a month ago, Rafajlovska told the press that she was resigning for personal reasons and denied that political pressures played a role in her decision.

[¶4.](#) (SBU) NSDP Party leader Tito Petkovski told us January 15 that Rafajlovska's resignation will not jeopardize the party's position in the ruling coalition, and that NSDP would retain the Minister of Economy portfolio. NSDP is a small party with a limited "bench" on economic issues. Predrag Trpevski, the current Deputy Minister of Finance, and NSDP's

only other player with any national profile on economic issues, is likely to be named as Rafajlovska's replacement.

¶5. (SBU) COMMENT: Rafajlovska's influence within the GoM was limited, as she was often overshadowed by DPM Stavreski. If Trpevski does get the nod to replace Rafajlovska, he is unlikely to be able to carve out a much larger role for himself or the Ministry of Economy, since DPM Stavreski will continue to dominate on economic issues. END COMMENT.

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